



Approved: March 17, 2009

KHPA Board Meeting February 17, 2009

MINUTES

Guests:

Governor Kathleen Sebelius

Board Members Absent:

Rob Kaplan

Ex-Officio Members Absent:

Duane Goossen, Secretary, KS Department of Administration

Alexa Posny, Commissioner, Kansas Department of Education

Sandra Praeger, Commissioner, Kansas Insurance Department

Joe Tilghman, Board Chair

Board Chair Tilghman called the meeting to order and introduced Governor Kathleen Sebelius.

Governor Kathleen Sebelius

Governor Sebelius thanked the KHPA Board for their commitment to improve the health of the children and families of Kansas and remarked how there has been a renewed interest in health reform efforts on the national front due to the new administration. She encouraged the members to continue the interaction with the legislators to promote the expansion of the State Children's Health Insurance Program (SCHIP) and read aloud a letter from a SCHIP (HealthWave) consumer who had recently received critical services for her young child and wrote to express her appreciation. The Governor spoke of the current budget situation for Kansas and how the additional funding provided by the recent passage of the American Reinvestment and Recovery Act (federal economic stimulus package) will have tremendous benefits for the Kansas Medicaid Program and advancing the health information technology initiative. She closed by stating that the efforts of the KHPA Board and agency are gaining momentum and again thanked the members for their dedication and service to the Board.

Joe Tilghman, Board Chair

Board Chair Tilghman reconvened the KHPA Board meeting after hearing from the Governor.

The draft minutes from the January 20, 2008 Board meeting were reviewed.

ACTION: Motion was made, seconded and carried to approve the Board minutes as written.

Chair Tilghman reported that Garen Cox, Chairman of the Board's Governance and Nomination Committee, had recently met with Dr. Nielsen and him to discuss the proposal to establish a new Legislative Affairs Ad Hoc Committee. The purpose and structure of the Committee was briefly described, and the proposed Charter was then reviewed by Board

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members.

ACTION: Motion was made, seconded and carried to approve the Charter and to proceed with the establishment of the Ad Hoc Committee.

Chair Tilghman advised he will be contacting additional Board members to volunteer for this committee. There will be more information forthcoming regarding final membership to this new Committee.

Chair Tilghman advised that the location for the June 2009 KHPA Board Retreat has switched from the Eldridge in Lawrence to A Place in Time in Tecumseh Kansas.

Dr. Marci Nielsen, Executive Director

American Reinvestment and Recovery Act (ARRA) – Federal Economic Stimulus Package: Dr. Nielsen reviewed the ARRA Fact Sheet which briefly outlined the impact of the Federal Economic Stimulus proposal to Kansas relative to health and healthcare.

- Dr. Nielsen reviewed a table which outlined ARRA Projections by Fiscal Year for KHPA, Department on Aging, and the Department of Social and Rehabilitation Services
- She advised that currently the ARRA provides for Kansas Medicaid to receive an additional \$440 million from 10-1-2008 to 12-31-2010.
- Dr. Nielsen discussed the maintenance of effort provision included in this proposal and how this would ensure that the Medicaid (does not include SCHIP) eligibility numbers would need to remain unchanged.
- She reported that an additional \$19 billion will be available to advance health information technology (HIT) in Kansas. \$2 billion of this amount will be available through a competitive grant, to be submitted within the next 60 days.
- The ARRA language related to HIT would require federal government to develop interoperability standards by 2010 to allow for health information exchange. This Act also strengthens federal privacy and security law to protect from health information misuse. The E-Health Advisory Council will be meeting this week to discuss the ARRA legislation and to develop a plan to maximize these additional HIT dollars. These recommendations will be submitted to the KHPA Board at the March or April Board meeting. KHPA staff are currently developing a list of current agency HIT-related projects along with cost estimates which will be used as an additional resource in the development of the plan for additional stimulus HIT dollars.

Medical Home, Health Information Technology, and Telemedicine: Dr. Nielsen reviewed a State Quality Fact Sheet which she distributed while serving on a panel at the State Quality Partnership conference in Boston MO, sponsored by the National Academy for State Health Policy. This conference highlighted the various areas in which partnerships focus efforts in medical home and consumer engagement. She then reviewed the presentation which had been presented to the House Vision 2020 Committee related to the intersecting goals of telemedicine, health information technology, and medical homes.

Dr. Andy Allison, Deputy Executive Director and Director of Medicaid and HealthWave Programs

Medicaid Pharmacy Management: Dr. Allison discussed Senate Bill 166 which would allow direct management of mental health medications and was introduced to the Senate Ways and Means Committee on February 2, 2009. Compromise language which was presented to the Senate Public Health and Welfare Committee on February 12, 2009 would limit management to the implementation of safety criteria for children and allow for the creation of a Mental Health Prescription Drug Advisory Committee. This Committee would develop guidelines for prescribing mental health drugs in the State MediKan and Medicaid/HealthWave programs.

ACTION: The charter, recommended committee members and at-large members were reviewed and will be brought back to the Board for approval in March.

Update on the Nursing Facility (NF) Provider Tax Workgroup: Chair Tilghman updated the Board on what the NF Provider Tax workgroup had discussed in their recent meetings. The Board members discussed whether or not to move forward with the NF provider tax proposal and whether to plan to submit a new legislative proposal to the 2010 Legislature.

The Board Chair explained that any action taken by the Board on this issue would need to meet four criteria: 1) the proposal would need to be compliant with CMS policy, 2) Department on Aging would need to either be neutral or

supportive of the proposal, 3) the proposal must be data driven, and 4) the proposal would need to align with specific policy goals with quality being the primary driver. The Board agreed that the Provider Tax Workgroup should continue its work in developing a legislative proposal and bring back to the August 2009 Board meeting

ACTION: Motion was made, seconded and carried to develop NF provider tax language for the 2010 legislative session and provide for Board approval at the August 2009 meeting. Members Susan Page and Garen Cox abstained from the vote due to a conflict of interest.

KHPA Data Consortium: The Data Consortium met on February 4, 2009 and determined that the next phase of the Consortium would be devoted to advancing data policy for Kansas consumers and stakeholders. Dr. Allison provided the Board with a copy of the Dashboard Health Indicators, which provides a snapshot picture of current health trends and measurements.

Physician Work Force and Accreditation Task Force: Dr. Allison reported that the Task Force met for the final time on January 23rd and that staff are preparing a legislative committee report. KHPA staff recommended better data collection to support workforce planning and a broader workforce planning process. Staff withheld comment on the Task Force's recommendation for new and dedicated state funding for graduate medical education (GME) in Wichita.

SCHIP Reauthorization: Dr. Allison reviewed the NASMD (the National Association of State Medicaid Directors) summary regarding the SCHIP reauthorization that was recently passed by Congress. Staff are currently evaluating this new funding that has been made available under Senate bill 81 and are analyzing the extent to which KHPA could support the expansion of the SCHIP program to 250% of the federal poverty level for FY 2010. The Board had some concerns with expanding the program at this time due to the severe budget climate which most likely would jeopardize additional state funding in the upcoming years; however the consensus was to proceed with the SCHIP expansion as directed by Senate Bill 81, and as recommended by the Governor in her remarks to the Board earlier in the day.

ACTION: Motion was made, seconded and carried to support the State in authorizing the amount of SGF needed to expand the program up to the 250% of the federal poverty level, which the State has authorized for FY 2010.

Dr. Barbara Langner, Director of Policy

Update on 2009 Legislative Session: Dr. Langner updated the Board on the recent testimony presented at hearings during the month of February and reviewed a bill tracking report, which summarizes those bills with impact to the agency.

KHPA FY 2009 Budget Reductions: Dr. Langner reviewed a summary of the selected KHPA budget reductions items that were included in the 2009 Legislative rescission package; several of the items listed are in addition to the Governor's Budget Recommendations.

Senate Bill 25: Kansas Clean Indoor Air Act: It was requested that Dr. Langner and her staff keep the Board updated on the decision that will be made today in the Senate regarding the Statewide Indoor Clean Air Act.

Report by Cabinet Secretaries: Secretary Kathy Greenlee, Department on Aging, Secretary Donald Jordan, Department of Social and Rehabilitation Services, and Secretary Rod Bremby, Department of Health and Environment

Long Term Care Annual Report: Secretary Greenlee and Secretary Jordan reviewed the Long-Term Care annual report which was requested by the 2008 Legislative Coordinating Council and Senate Bill 365. A review of the Home and Community Based Services (HCBS) waivers and long-term care initiatives were provided by Secretary Jordan, as well as challenges with potential waiting lists for the developmentally and physically disabled.

Agency Budget Updates: The Secretaries updated the Board on their agency's budgets and summarized their plans to implement additional budget reductions.

Doug Farmer, Director of the State Employee Health Benefit Program

Update on Health Care Commission (HCC): Mr. Farmer updated the Board on the February HCC meeting where they discussed the plan design for the plan year (PY) 2010. Mr. Farmer anticipates having the plan designs for 2010 completed by the May HCC meeting. The main items for consideration in the plan design are: a value-based dental plan; bariatric

surgery; electronically operated prosthetics and re-working the income-based premium tiers. The HCC annual report was provided electronically to the KHPA Board members last week. Staff were requested by the HCC to provide coverage options for the inclusion of bariatric surgery and will present those recommendations at the March 12th HCC meeting.

7-pay period moratorium: Mr. Farmer informed the Board that the House and Senate both approved the proposed moratorium, which was introduced in the Governor's budget and discussed at the January Board meeting. He advised the Board that the moratorium will begin next month. In order to keep the fund actuarially sound it would require a change to the current premium rate assumptions before PY 2011.

Update on Workers' Compensation and the Wellness Program: Mr. Farmer reported back to the Board that at this point they anticipate ending the year with a \$3.1 million fund balance. Staff are working on amendments to the Wellness Program contract this year, with focus on performance guarantees. At the March Board meeting Mr. Farmer will provide a list of these performance guarantees and anticipated participation of the Wellness programs for the coming plan year.

Bariatric Surgery: Mr. Farmer discussed with the Board the reports and testimony that he had presented regarding bariatric surgery and coverage.

Scott Brunner, Chief Financial Officer

Agency Budget for FY 2009/2010: The Senate Ways and Means Subcommittee is currently reviewing the agency's budget for FY 2010; KHPA was asked to provide a list of additional 10% budget reductions for FY 2010.

Legislative Post Audit (LPA): LPA recently requested KHPA, along with all state agencies, to identify funding priorities for agency programs and services. The final LPA study was released last week, and a copy of KHPA's response was reviewed with the Board, which explained the methodology used in categorizing those programs and services.

Agency FY 2009 Monthly Expenditure Report: The FY 2009 Expenditure Report through January 31, 2009 was reviewed by the Board.

State Employee Health Plan Expenditures Summary: A 2008 Plan Year expenditure summary for SEHP was reviewed by the Board. Mr. Brunner discussed with the Board the comparison chart over plan year (PY) 2006, 2007 and 2008 along with reviewing January's expenditures.

Dr. Marcia Nielsen, Executive Director and Scott Brunner Chief Financial Officer

KHPA Strategic Plan: Dr. Nielsen and Mr. Brunner reviewed the agency strategic plan document with the Board. Dr. Nielsen outlined the two broad agency goals which focus on: 1) data analysis and stakeholder engagement and 2) agency programs and services as well as leadership development. The goals and objectives listed in this document will guide the agency over the next three to five years, and performance measures for all the objectives will be added to the strategic plan for final review at the June Board retreat. This document will be revisited and updated annually at the Board retreats.

ACTION: This document will be brought back to the March or April Board meeting for further discussion and approval by the Board.

Joe Tilghman, Board Chair

There were no Public Comments received. Meeting was adjourned